

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division**

<p>DISTRICT OF COLUMBIA,</p> <p style="text-align:center">Plaintiff,</p> <p>v.</p> <p>STUDENT AID CENTER, INC., et al.,</p> <p style="text-align:center">Defendants.</p>	<p>Case No. 2016 CA 003768 B Judge Robert R. Rigsby</p>
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JUDGMENT AND INJUNCTIVE ORDER

Plaintiff District of Columbia (“Plaintiff” or “District”) brought this action in the D.C. Superior Court on May 23, 2016, pursuant to the D.C. Consumer Protection Procedure Act (CPPA), D.C. Code §§ 28-3901, *et seq.*, and the D.C. Consumer Credit Service Organization Act (CCSOA). D.C. Code §§ 28-4601, *et seq.* Plaintiff alleged that, from 2013 to 2015, Defendants Student Aid Center (“SAC”), Ramiro Fernandez-Moris, and Damien Alvarez (collectively “Defendants”) made telemarketing calls offering to provide consumers debt relief from their student loans through an “Obama Student Loan Forgiveness Program” and Defendants’ association with the federal government. Plaintiff alleged that Defendants had no relationship with the federal government, did not administer a loan forgiveness program, and provided little or no relief to consumers. Plaintiff further alleged that all Defendants did was enroll consumers into repayment plans ordinarily offered at no cost by the Department of Education, a fact that Defendants failed to disclose to consumers.

On August 3, 2017, this Court granted Plaintiff’s motion for partial summary judgment as to liability. *See* Order Granting Mot. Summ. J. (Aug. 3, 2017). Specifically, this Court held that Defendants were liable under the CPPA as merchants who made material misrepresentations

about their services. D.C. Code § 28-3904; Order Granting Mot. Part. Summ. J. 4. The Defendants advertised services to consolidate, forgive, or lower payments on consumers' student loans, which they could not actually provide, as they had no special relationship with the United States Department of Education. Order Granting Mot. Part. Summ. J. 5; D.C. Code § 28-3904(b)(e). The Defendants also collected fees for services that were offered for free by the Department of Education. Order Granting Mot. Part. Summ. J. 5; D.C. Code § 28-3904(e). This Court further held that the Defendants Alvarez and Fernandez-Moris were personally liable since they participated directly in the deceptive practices and had the authority to control those practices. *See POM Wonderful, LLC v. FTC*, 777 F.3d 478, 498 (D.C. Cir. 2015); Order Granting Mot. Part. Summ. J. 6; D.C. Code § 28-3901(a)(3). This Court also held that Defendants violated CCSOA by holding themselves out as a consumer credit service organization and then charging upfront fees for their services without first establishing a trust account or acquiring a surety bond. *See* D.C. Code § 28-4604(a); Order Granting Mot. Part. Summ. J. 7. This Court also found Defendants Alvarez and Fernandez-Moris personally liable under CCSOA since they knew or should have known that the illegal behavior was occurring within their business. Order Granting Mot. Part. Summ. J. 7-8. Specifically, Defendant Alvarez formed the company, developed SAC's business model, and supervised SAC's text message campaigns, all of which relied upon the previously mentioned deceptive trade practices. *See Bethesda Salvage Co. v. Fireman's Fund Ins. Co.*, 111 A.2d 472, 474 (D.C. 1955) (finding two corporate officers personally liable for violations committed with their approval); Order Granting Mot. Part. Summ. J. 8. Defendant Fernandez-Moris was also found personally liable as he ran SAC's marketing campaigns and approved content for SAC's website, which also misled consumers.

On September 6, 2017, Plaintiff filed its Brief Regarding Remedies, seeking a judgment and injunctive order that would force Defendants to stop the unlawful practices and pay restitution costs and penalties. Upon consideration of Plaintiff's Brief Regarding Remedies, and the entire record herein, it is this 29th day of November, 2017, hereby

ORDERED as follows:

I. APPLICATION

- A. The provisions of this Judgment and Injunctive Order shall apply to Student Aid Center, Inc., and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, wholly owned subsidiaries, and all other persons acting in concert with the Student Aid Center, Inc. now and in the future.
- B. The provisions of this Judgment and Injunctive Order shall apply to Ramiro Fernandez-Moris, also known as Ramiro Moris, and Damien Alvarez, and their agents, employees and assigns, and any partnership, corporation or entity in which they, either separately or together, currently or in the future, have an ownership interest, have authority to control or have authority to establish policy.
- C. The provisions of this Judgment and Injunctive Order shall apply to Defendants in connection with their offer, sale and/or performance of any student loan debt relief services in the District of Columbia.

II. INJUNCTION

IT IS FURTHER ORDERED that:

- A. Defendants shall cease and desist from committing any further unfair or deceptive trade practices that violate the CPPA.

- B. Defendants shall not make any future misrepresentations concerning a material fact that has a tendency to mislead any consumers.
- C. Defendants shall not represent that they have any sponsorship, affiliation, or other status, that they do not, in fact, have, including representing that they have any relationship with the federal government or are able to administer any federal student loan debt relief program.
- D. Defendants shall not mislead consumers concerning the effectiveness of their student loan debt relief services and the Defendants' ability to perform such services.
- E. Defendants shall not represent that any consumers have been "approved" or "pre-approved" for any student debt relief program unless Defendants have, in fact, taken some affirmative steps on behalf of the consumer that has, in fact, resulted in the consumer being approved or pre-approved for relief from their student loans.
- F. Defendants shall not advertise or offer student loan debt relief services unless they are able to perform the student loan debt relief services in conformity with the descriptions contained in their advertisements.
- G. Defendants shall not mislead consumers concerning their willingness or ability to perform any promised services.
- H. Defendants shall not charge consumers any fees for their student loan debt relief services until they have fully performed all promised services.
- I. For a period of ten (10) years from the entry of this Judgment and Injunctive Order, Defendants shall provide the District at least sixty (60) days advanced notice before they offer or sell any student loan debt relief services to the District of Columbia residents.

- J. For a period of ten (10) years from the entry of this Judgment and Injunctive Order, at least thirty (30) days prior to mailing, broadcasting, distributing, or disseminating any offer of debt relief services to consumers residing in the District of Columbia, Defendants shall provide the District of Columbia a copy of any advertising they intend to use to promote the debt relief service, including any scripts, recordings, videos, brochures, campaigns, promotions, or other advertisements.
- K. If due to changed circumstances, or any change in existing laws, Defendants are unable to comply with any of the specific prohibitions or affirmative obligations that are imposed by the injunctive terms of this Judgment and Injunctive Order, any party may petition the Court to amend this Judgment and Order.

III. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

- A. Within thirty (30) days of the entry of this Judgment and Injunctive Order, Defendants shall pay the District of Columbia a restitution amount equal to the total of all amounts Defendants received from consumers in connection with their offer and sale of student loan debt relief services, less any amounts already refunded to consumers, which amount shall be no less than \$192,824.95.
- B. The District of Columbia shall use all amounts collected as restitution under this Judgment and Injunctive Order to pay restitution to the consumers who have been harmed by the Defendants' unlawful practices. The District shall distribute this restitution in an amount equal to the fees each consumer paid the Defendants, less any amount that the Defendants have already refunded to the consumer, except that any restitution may be distributed *pro rata* to consumers if Defendants fail to pay all

restitution due under this Judgment and Injunctive Order. The District shall hold any unpaid restitution amounts either as an unclaimed fund for the consumer or it shall use the funds for any other lawful purpose designated by the Attorney General.

- C. Defendants shall pay to the District the sum of \$223,000 as a civil penalty pursuant to D.C. Code § 28-3909(b).
- D. Defendants shall pay to the District the sum of \$2,010.10 in costs for litigating this matter pursuant to D.C. Code § 28-3909(b).
- E. Judgment is entered in favor of Plaintiff District of Columbia and against Defendants Student Aid Center, Inc., Damien Alvarez and Ramiro Fernandez-Moris, jointly and severally, in the amount of **\$417,835.05**.

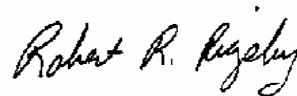
IV. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

SO ORDERED.

November 29, 2017

Date



Judge Robert R. Rigsby
(Signed in Chambers)

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